



**ORDINANCE NO. 0-11-2021
ROWLAND WATER DISTRICT**

**ADOPTING RATES AND SERVICE CHARGES FOR POTABLE AND RECYCLED
WATER AND MISCELLANEOUS RATES, FEES AND PENALTIES**

WHEREAS, the Rowland Water District (“District”) is a county water district, organized and operating pursuant to Division 12 (commencing with Section 30000) of the California Water Code (the County Water District Law”); and

WHEREAS, the District imports potable water from the Metropolitan Water District of Southern California through its member agency, Three Valleys Municipal Water District, and also owns, operates, and maintains a recycled water system that distributes recycled water to customers within the District; and

WHEREAS, the District is authorized to fix and collect charges for the provision of services and facilities, including potable and recycled water; and

WHEREAS, the District retained NBS to conduct a water rate study, and determined that it is necessary to adopt new rates for its potable and recycled water service charges to: (1) meet revenue requirements; (2) ensure revenue stability; and (3) provide adequate funding for capital improvements; and

WHEREAS, the proposed rate structure for the potable and recycled water service charges has three customer classes: Single-Family Residential Customers, All Other Customers (commercial, industrial, governmental, institutional, and multi-family residential), and Recycled Water Customers.

WHEREAS, the rate structure consists of five components: (1) fixed monthly service charges (the “Fixed Service Charges”); (2) volumetric potable water commodity charges (“Potable Water Commodity Charges”); (3) volumetric recycled water commodity charges (“Recycled Water Commodity Charges”); (4) volumetric zonal surcharges (“Zonal Surcharges”), and (5) fixed monthly fire service charges (“Fire Service Charges”) (collectively herein, the “Charges”); and

WHEREAS, the rates for the Fixed Service Charges are fixed monthly charges established on the basis of the size of the meter serving a property and are calculated to recover a portion of the District’s fixed costs of operating and maintaining the water system, and are the same for potable and recycled water customers; and

WHEREAS, the rates for the Potable Water Commodity Charges are variable charges imposed per unit of potable water delivered during a billing period. One unit is equal to one hundred cubic

feet (“HCF”), or 748 gallons. For Single-Family Residential Customers, the rate structure for the Potable Water Commodity Charges consists of three tiers which impose higher rates as the level of consumption increases. For All Other Customers, the rates for Potable Water Commodity Charges are uniform charges imposed per unit of water delivered during a billing period.

WHEREAS, the rates for the Recycled Water Commodity Charges are variable charges imposed per unit of recycled water delivered during a billing period. The rates for Recycled Water Commodity Charges are uniform charges imposed per unit of water delivered during a billing period for all Recycled Water Customers; and

WHEREAS, the Zonal Surcharges are variable charges per unit of potable water delivered to customers in higher elevations across six different pressure zones and are based on the cost to maintain and pump water to customers across pressure zones; and

WHEREAS, the fire service charges (“Fire Service Charges”) are fixed monthly charges established on the basis of the size of the meter supplying private fire suppression systems/hydrants, and are only applicable to those customers with private fire suppression systems or hydrants serving their property; and

WHEREAS, on July 8, 2021, the Governor of the State of California issued Executive Order N-10-21 calling on Californians to voluntarily reduce their water consumption by 15% from their 2020 levels; and

WHEREAS, the drought rates (“Drought Rates”) for the Potable Water Commodity Charges will ensure there is sufficient revenue for the operation of the District in the event of increased or new conservation requirements and may be implemented during declared drought levels. The Drought Rates vary depending on the level or percentage of water conservation sought and the amount of water consumed while under those water use restrictions); and

WHEREAS, the Charges will take effect January 1, 2022, and will be adjusted each January 1 thereafter, through and including January 1, 2026, based on the schedule in Exhibit A; and

WHEREAS, the Charges are subject to Article XIII D, section 6 of the California Constitution (“Article XIII D”), which creates certain procedural and substantive requirements for the imposition of any new or increase in any existing property-related fees and charges, and meets these requirements as set forth below; and

WHEREAS, the revenues derived from the Charges will not exceed the funds required to provide the services and shall be used exclusively for the operation and maintenance of the water system; and

WHEREAS, the amount of the Charges will not exceed the proportional cost of the services attributable to each parcel upon which they are proposed for imposition; and

WHEREAS, the Charges will not be imposed on a parcel unless the water services are actually used by, or immediately available to, the owner of the parcel; and

WHEREAS, Article XIII D requires that prior to imposing any new Charges, the District shall provide written notice (the “Notice”) by mail of the proposed Charges to the record owner of each parcel upon which the Charges are proposed for imposition and any tenant directly liable for payment of the Charges, the amount of the Charges proposed to be imposed on each parcel, the basis upon which the Charges were calculated, the reason for the Charges, and the date time and location of a public hearing (the “Hearing”) on the proposed Charges; and

WHEREAS, pursuant to Article XIII D such Notice is required to be provided to the affected property owners and any tenant directly liable for the payment of the Charges not less than forty-five days prior to the Hearing on the proposed Charges; and

WHEREAS, the District did provide such Notice to the affected property owners and tenants in compliance with Article XIII D; and

WHEREAS, the Hearing was held on this day, November 9, 2021; and

WHEREAS, at the Hearing, the Board of Directors of the District (“Board”) considered all written materials and written protests to the proposed Charges received prior to the close of the Hearing, and heard oral testimony concerning the establishment and imposition of the proposed Charges, and at the close of the Hearing the District determined that it did not receive written protests against the establishment and imposition of the proposed Charges from a majority of the affected property owners or tenants directly liable for the payment of such Charges; and

WHEREAS, pursuant to the County Water District Law, the District has the authority to establish and impose fees to recover the costs of providing various services and regulatory activities that it provides within the District’s boundaries, and penalties for violations of any of its Rules and Regulations for Potable and Recycled Water Service (the “Rules and Regulations”); and

WHEREAS, the District has determined that the costs of providing certain miscellaneous services has increased and that it is appropriate to increase the rates for such fees and to amend the District’s Rules and Regulations to reflect such rate increases; and

WHEREAS, the District retained NBS to prepare a report demonstrating the reasonable costs of providing potable and recycled water service to construction customers within the District; and

WHEREAS, based on the findings set forth in NBS’ report, the District has further determined to impose rates and fees for potable and recycled water service to construction customers, including one-time fees and monthly potable and recycled water rates, who connect to the potable and recycled water system on a temporary basis; and

WHEREAS, the District has further determined that it is appropriate to increase the rates of certain penalties imposed pursuant to its Rules and Regulations and amend such Rules and Regulations to reflect such increases.

Be it ordained by the Board of Directors of the Rowland Water District as follows:

1. Incorporation of Recitals. The Recitals set forth above are true and correct statements, made findings of this Board, and are incorporated herein and made an operative part of this Ordinance.
2. Charges. The Board hereby adopts the Charges at the rates, in the amounts, and on the effective dates set forth in Exhibit A. The Drought Rates may be activated as a result of a drought, a statewide order mandating water use reductions, or other natural disaster or event that results in a water shortage and an unforeseen drop in water demand.
3. Miscellaneous Fees and Penalties. The Board has been presented with data showing the estimated reasonable costs of providing certain services for which the fees set forth in Exhibit B are imposed and the revenue sources available to recover the costs of providing such services. The fees and penalties set forth in Exhibit B are imposed in accordance with the District's Rules and Regulations.
4. Hearing. The Board of Directors called a public hearing for November 9, 2021, at 5:00 p.m., at the office of the District for the purpose of receiving public comments to the proposed fees and penalties set forth in Exhibit B. Notice of the public hearing was given by publication in a newspaper of general circulation within the District once a week for two weeks commencing at least fourteen ten (140) days prior to the public hearing, with at least 5 days intervening between the first and last publication. On November 9, 2021, at the time and place set for the public hearing, the Board heard and considered all oral and written presentations and comments made regarding the proposed fees and penalties.
5. The Board of Directors finds and determines that:
 - a. The fees established by Exhibit B of this Ordinance:
 - i. are imposed for a specific government service provided directly to the payer, or for reasonable regulatory costs of the District for issuing licenses and permits, performing investigations, inspections, and administrative enforcements of the District's Rules and Regulations;
 - ii. are no more than necessary to cover the costs of the governmental activity for which the fee is imposed; and
 - iii. the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity for which the fee or is imposed.
 - b. The penalties established by this Ordinance are imposed pursuant to the District's Rules and Regulations.
6. CEQA Compliance.
 - a. The Board of Directors hereby finds that the administration, operation, maintenance, and improvements of the potable water and recycled water systems, which are to be funded by the Charges, fees, and penalties, are necessary to

maintain potable water and recycled water service within the District's existing service area. The Board further finds that the administration, operation, maintenance, and improvements of the potable water and recycled systems, to be funded by the fees will not expand the potable water or recycled water system. The Board further finds that the adoption of the Charges and fees are necessary and reasonable to fund the administration, operation, maintenance, and improvements of the potable water and recycled water systems. Based on these findings, the Board hereby determines that this Ordinance as it pertains to the Charges, fees or penalties is exempt from the requirements of CEQA pursuant to California Public Resources Code section 21080(b)(8) and State CEQA Guidelines section 15273(a).

- b. The documents and materials that constitute the record of proceedings on which these findings have been based are located at 3021 Fullerton Road, Rowland Heights, California. The custodian for these records is the Secretary of the Board.

7. Authorization.

- a. The Board of Directors hereby authorizes and directs the General Manager of the District to collect the Charges as set forth in Exhibit A, and to take all actions necessary to effectuate and implement the rates for such Charges.
- b. The rates for the fees and penalties set forth in Exhibit B are hereby adopted and shall take effect on the dates set forth in Exhibit B. The General Manager of the District is hereby authorized and directed to take all actions necessary to: (a) effectuate the authorizations set forth herein; (b) collect all such fees and penalties at the rates and in the amounts set forth in Exhibit B; and (c) revise the District's Rules and Regulations to reflect the changes to the rates for the fees and penalties set forth in Exhibit B and adopted herein.

8. Inconsistency with other Fees and Charges.

- a. To the extent any Charges established by this Ordinance are inconsistent with water service fees and charges previously adopted, it is the explicit intention of the Board that the Charges adopted pursuant to this Ordinance shall prevail.
- b. To the extent that this Ordinance and the rates for the fees and penalties set forth herein are inconsistent with any prior resolution, ordinance, Rules and Regulations, or actions of the Board, it is the explicit intention of the Board that this Ordinance shall prevail.

9. Severability. If any section, subsection, clause or phrase in this Ordinance or the application thereof to any person or circumstances is for any reason held invalid, the validity of the remainder of this Ordinance or the application of such provisions to other persons or circumstances shall not be affected thereby. The Board hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences,

clauses or phrases or the application thereof to any person or circumstance be held invalid.

10. Approval. This Ordinance requires a 2/3 vote of the Board for approval.

11. Effective Date. This Ordinance shall take effect only upon the passage of a law that would require the Charges, fees, and penalties contained herein to be approved by the Board by ordinance, with a 2/3 vote.

Said ordinance was adopted, on roll call vote, at the regular meeting of the Board of Directors held November 9, 2021, by the following vote:

AYES: Directors Lima, Lu-Yang, Lewis, Bellah and Hsu
NOES: None
ABSENT: None
ABSTAIN: None

I hereby certify that the foregoing is a true and correct copy of Ordinance No. 0-11-2021, adopted by the Board of Directors of the Rowland Water District at its regular meeting held on November 9, 2021.

Anthony J. Lima
Board President

ATTEST:

Tom Coleman
Board Secretary

EXHIBIT A

POTABLE AND RECYCLED WATER RATES

Table 1 - Rates for Monthly Potable and Recycled Water Service Charges (\$/Meter Size) and Effective Dates					
<i>Meter Size</i>	1/1/2022	1/1/2023	1/1/2024	1/1/2025	1/1/2026
5/8 inch	\$43.32	\$45.05	\$46.40	\$47.80	\$49.23
3/4 inch	\$43.32	\$45.05	\$46.40	\$47.80	\$49.23
1 inch	\$43.32	\$45.05	\$46.40	\$47.80	\$49.23
1.5 inch	\$198.78	\$206.73	\$212.93	\$219.32	\$225.90
2 inch	\$315.38	\$327.99	\$337.83	\$347.96	\$358.40
3 inch	\$626.30	\$651.35	\$670.89	\$691.01	\$711.75
4 inch	\$976.08	\$1,015.13	\$1,045.58	\$1,076.95	\$1,109.25
6 inch	\$1,947.71	\$2,025.62	\$2,086.39	\$2,148.98	\$2,213.45
8 inch	\$3,113.66	\$3,238.21	\$3,335.36	\$3,435.42	\$3,538.48
10 inch	\$8,166.13	\$8,492.77	\$8,747.55	\$9,009.98	\$9,280.28
12 inch	\$10,303.71	\$10,715.86	\$11,037.33	\$11,368.45	\$11,709.50

Table 2 - Rates for Monthly Potable Water Fire Service Charges (\$/Meter Size) and Effective Dates					
<i>Meter Size</i>	1/1/2022	1/1/2023	1/1/2024	1/1/2025	1/1/2026
1 inch	\$6.46	\$6.72	\$6.92	\$7.13	\$7.34
2 inch	\$10.87	\$11.30	\$11.64	\$11.99	\$12.35
3 inch	\$18.48	\$19.22	\$19.80	\$20.39	\$21.00
4 inch	\$32.51	\$33.81	\$34.83	\$35.87	\$36.95
6 inch	\$68.58	\$71.33	\$73.47	\$75.67	\$77.94
8 inch	\$116.68	\$121.35	\$124.99	\$128.74	\$132.60
10 inch	\$180.81	\$188.04	\$193.68	\$199.49	\$205.48
12 inch	\$216.88	\$225.56	\$232.32	\$239.29	\$246.47

Table 3 - Rates for Potable Water Commodity Charges and Effective Dates⁽¹⁾					
Customer Class	1/1/2022	1/1/2023	1/1/2024	1/1/2025	1/1/2026
<i>Single-Family Residential</i>					
Zone 1					
Tier 1: 1-8 HCF	\$3.18	\$3.31	\$3.41	\$3.51	\$3.62
Tier 2: 9-15 HCF	\$3.59	\$3.73	\$3.84	\$3.96	\$4.08
Tier 3: 16+ HCF	\$4.66	\$4.84	\$4.99	\$5.14	\$5.29
Zone 2					
Tier 1: 1-8 HCF	\$3.34	\$3.47	\$3.57	\$3.68	\$3.80
Tier 2: 9-15 HCF	\$3.74	\$3.89	\$4.01	\$4.13	\$4.25
Tier 3: 16+ HCF	\$4.81	\$5.00	\$5.15	\$5.31	\$5.47
Zone 3					
Tier 1: 1-8 HCF	\$3.47	\$3.61	\$3.72	\$3.84	\$3.96
Tier 2: 9-15 HCF	\$3.88	\$4.03	\$4.16	\$4.28	\$4.42
Tier 3: 16+ HCF	\$4.95	\$5.15	\$5.30	\$5.47	\$5.63
Zone 4					
Tier 1: 1-8 HCF	\$3.82	\$3.97	\$4.10	\$4.23	\$4.36
Tier 2: 9-15 HCF	\$4.22	\$4.39	\$4.53	\$4.67	\$4.82
Tier 3: 16+ HCF	\$5.29	\$5.50	\$5.68	\$5.85	\$6.04
Zone 5					
Tier 1: 1-8 HCF	\$4.02	\$4.18	\$4.31	\$4.45	\$4.60
Tier 2: 9-15 HCF	\$4.42	\$4.60	\$4.75	\$4.90	\$5.05
Tier 3: 16+ HCF	\$5.49	\$5.71	\$5.89	\$6.08	\$6.27
Zone 6					
Tier 1: 1-8 HCF	\$4.29	\$4.46	\$4.61	\$4.76	\$4.91
Tier 2: 9-15 HCF	\$4.69	\$4.88	\$5.04	\$5.20	\$5.37
Tier 3: 16+ HCF	\$5.76	\$5.99	\$6.19	\$6.38	\$6.59
<i>All Other Customers:⁽²⁾</i>					
Zone 1 Uniform Rate	\$3.60	\$3.74	\$3.85	\$3.97	\$4.09
Zone 2 Uniform Rate	\$3.75	\$3.90	\$4.02	\$4.14	\$4.27
Zone 3 Uniform Rate	\$3.89	\$4.04	\$4.17	\$4.30	\$4.43
Zone 4 Uniform Rate	\$4.23	\$4.40	\$4.54	\$4.68	\$4.83
Zone 5 Uniform Rate	\$4.43	\$4.61	\$4.76	\$4.91	\$5.07
Zone 6 Uniform Rate	\$4.70	\$4.89	\$5.05	\$5.21	\$5.38

⁽¹⁾ The rates in Table 3 are equal to the sum of the Potable Water Commodity Charges for each tier in each year, and the applicable Zonal Surcharges.

⁽²⁾ "All Other Customers" includes commercial, industrial, governmental, institutional, and multi-family residential customers.

Table 4 - Rates for Recycled Water Commodity Charges and Effective Dates					
	1/1/2022	1/1/2023	1/1/2024	1/1/2025	1/1/2026
Uniform Rate	\$2.39	\$2.51	\$2.63	\$2.77	\$2.90

Table 5 - Drought Rates for Potable Water Commodity Charges (\$/HCF) and Effective Dates⁽¹⁾					
Drought Rates – Level 1	1/1/2022	1/1/2023	1/1/2024	1/1/2025	1/1/2026
<i>Single-Family Residential:</i>					
Tier 1 1-8 hcf	\$3.23	\$4.27	\$5.30	\$6.33	\$7.36
Tier 2 9-15 hcf	\$3.70	\$4.74	\$5.77	\$6.80	\$7.83
Tier 3 16+ hcf	\$5.19	\$6.23	\$7.26	\$8.29	\$9.32
<i>All Other Customers:</i>					
Uniform Rate	\$3.69	\$4.73	\$5.76	\$6.79	\$7.82
Drought Rates – Level 2					
<i>Single-Family Residential:</i>					
Tier 1 1-8 hcf	\$3.29	\$4.33	\$5.36	\$6.39	\$7.42
Tier 2 9-15 hcf	\$3.85	\$4.89	\$5.92	\$6.95	\$7.98
Tier 3 16+ hcf	\$6.02	\$7.06	\$8.09	\$9.12	\$10.15
<i>All Other Customers:</i>					
Uniform Rate	\$3.81	\$4.85	\$5.88	\$6.91	\$7.94
Drought Rates – Level 3					
<i>Single-Family Residential:</i>					
Tier 1 1-8 hcf	\$3.37	\$4.41	\$5.44	\$6.47	\$7.50
Tier 2 9-15 hcf	\$4.07	\$5.11	\$6.14	\$7.17	\$8.20
Tier 3 16+ hcf	\$7.42	\$8.46	\$9.49	\$10.52	\$11.55
<i>All Other Customers:</i>					
Uniform Rate	\$3.96	\$5.00	\$6.03	\$7.06	\$8.09
Drought Rates – Level 4					
<i>Single-Family Residential:</i>					
Tier 1 1-8 hcf	\$3.48	\$4.52	\$5.55	\$6.58	\$7.61
Tier 2 9+ hcf	\$6.17	\$7.21	\$8.24	\$9.27	\$10.30
<i>All Other Customers:</i>					
Uniform Rate	\$4.17	\$5.21	\$6.24	\$7.27	\$8.30
Drought Rates – Level 5					
<i>Single-Family Residential:</i>					
Tier 1 1-8 hcf	\$3.62	\$4.66	\$5.69	\$6.72	\$7.75
Tier 2 9+ hcf	\$7.95	\$8.99	\$10.02	\$11.05	\$12.08
<i>All Other Customers:</i>					
Uniform Rate	\$4.45	\$5.49	\$6.52	\$7.55	\$8.58
Drought Rates – Level 6					
<i>Single-Family Residential:</i>					
Tier 1 1-8 hcf	\$3.84	\$4.88	\$5.91	\$6.94	\$7.97
Tier 2 9+ hcf	\$11.98	\$13.02	\$14.05	\$15.08	\$16.11
<i>All Other Customers:</i>					
Uniform Rate	\$4.88	\$5.92	\$6.95	\$7.98	\$9.01

⁽¹⁾ The Drought Rates replace the standard tiered or uniform Potable Water Commodity Charge rates set forth in Table 3, during the applicable water shortage level declared by the Board. The Drought Rates set forth in this Table 5 do not include the Zonal Surcharges set forth in Table 6, which will be added to the Drought Rates as applicable.

Table 6 - Zonal Surcharges (\$/HCF) and Effective Dates					
Applicable Pressure Zone	1/1/2022	1/1/2023	1/1/2024	1/1/2025	1/1/2026
Zone 2	\$0.15	\$0.16	\$0.16	\$0.17	\$0.18
Zone 3	\$0.29	\$0.30	\$0.31	\$0.33	\$0.34
Zone 4	\$0.63	\$0.66	\$0.69	\$0.71	\$0.74
Zone 5	\$0.83	\$0.87	\$0.90	\$0.94	\$0.98
Zone 6	\$1.11	\$1.15	\$1.20	\$1.24	\$1.29

EXHIBIT B
Schedule of Miscellaneous Fees and Penalties

Fee or Penalty (Effective JANUARY 1, 2022)	Amount
Application Fee	\$60.00
Termination Notice Fee (Door Hanger)	\$51.00
Turn On/Turn Off Fee	\$50.00
Reconnection Fee – After Business Hours	\$140.00
Tampering Penalty	\$200.00
Meter Test Deposit	\$238.00
Cross Connection Control Administration Fee (Per Year/Per Unit)	\$10.00
Cross Connection Control Delinquent Notice Fee	\$11.00
Cross Connection Control Termination Notice Fee	\$51.00
Cross Connection Control Turn Off/Turn On Fee – During Business Hours	\$102.00
Cross Connection Control Plan Check/Inspection Fee	\$434.00
Fee For Each Additional Cross Connection Control Assembly	\$36.00
Recycled Water Plan Check/Inspection Fee	\$893.00
Fire Flow Test Fee	\$325.00

CONSTRUCTION METER FEE SCHEDULE

Effective Date	Jan. 1, 2022	Jan. 1, 2023	Jan. 1, 2024	Jan. 1, 2025	Jan. 1, 2026
Construction Meter Deposit	\$3,165.00	\$3,259.00	\$3,357.00	\$3,458.00	\$3,562.00
Administration Fee- Construction Meter	\$213.00	\$220.00	\$226.00	\$233.00	\$240.00
Monthly Rental Fee Construction Meter	\$65.00	\$67.00	\$69.00	\$71.00	\$73.00
Relocate Construction Meter (cost per hour)	\$96.00	\$99.00	\$102.00	\$105.00	\$108.00

CONSTRUCTION POTABLE/RECYCLED WATER RATE (\$/HCF)

Effective Date	Jan. 1, 2022	Jan. 1, 2023	Jan. 1, 2024	Jan. 1, 2025	Jan. 1, 2026
Construction Rate-Potable					
Zone 1	\$5.85	\$6.12	\$6.17	\$6.27	\$6.18
Zone 2	\$6.00	\$6.28	\$6.33	\$6.44	\$6.36
Zone 3	\$6.14	\$6.42	\$6.48	\$6.59	\$6.52
Zone 4	\$6.48	\$6.78	\$6.85	\$6.98	\$6.92
Zone 5	\$6.68	\$6.99	\$7.07	\$7.21	\$7.16
Zone 6	\$6.95	\$7.27	\$7.36	\$7.51	\$7.47
Construction Rate-Recycled	\$4.26	\$4.25	\$4.25	\$4.25	\$4.25